

May 19, 1975

SENATOR CAVANAUGH: OK, but you do not favor ...

SENATOR WARNER: I'm explaining the options that are included in the amendment, Senator Cavanaugh.

SENATOR CAVANAUGH: You don't favor the Legislature setting the rate forever?

SENATOR WARNER: Senator Cavanaugh, that is correct. The only time the Legislature has chanced it ever was twice. Once when it went from 13 to 15. This would be going from 10 to 12 and that was because of peculiar circumstances that existed in both instances.

SENATOR CAVANAUGH: In this case it's because the Board of Equalization made a mistake whether we change it from 15 to 13?

SENATOR WARNER: The reason we changed from 15 to 13 was primarily an inflationary situation that more money was being generated at that level of taxation than had been estimated, more than was needed. It was appropriate that the money be returned to the taxpayers in the year in which it was being collected because it was more than was needed. There's more to it than that, but that is a simple explanation.

SENATOR CAVANAUGH: Well the Board of Equalization made a mistake thereto?

SENATOR WARNER: You can hardly say that they made a mistake. I don't think you can say that the failure of someone to anticipate the rate of inflation is a mistake.

SENATOR CAVANAUGH: Thank you Senator Warner. I ... this is a difficult thing to do. I think Senator Lewis is going to have an amendment to let the Legislature set the rate which I'm in favor of. The only thing that you can really conclude is that both the Burbach amendments and the Warner amendments, and everything that we've debated here this year relative to 589 and in past years indicates that this state should proceed in the same manner that every other state. The Legislature should take the responsibility for setting the rates. I recall Senator Burbach stating the other day that he didn't think that the Legislature was competent to set the rate which is, I think, an extremely position. Every other Legislature in the United States is confident to set the rates, and do. The Congress of the United States sets the rates. For some peculiar reason, I think more related to politics than competency, this body does not set the rate unless it seems politically advantageous. I think that we all know and understand that. I would say that we should reject all the amendments and get to the Lewis amendment, and set the rate ourselves now and forever and take the responsibility for the money that we spend. I'll oppose these amendments until we get to the Lewis amendment.

PRESIDENT: Senator Warner.